

# **BUSINESS, TRANSPORTATION, AND HOUSING**

**T**he Governor's Budget proposes total expenditures of \$9.6 billion in 2004-05 for roads, highways, mass transit and intercity rail, vehicle licensing and registration, and highway law enforcement.

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## **Department of Transportation**

California transportation supports the mobility of goods and people, creates jobs directly and throughout the economy, and leverages local and federal resources for critical mobility and air quality projects through its borders, ports, rail, and highway corridors. The Budget includes \$7.4 billion in expenditures by the Department of Transportation (Caltrans) and 20,585 personnel years.

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## **Transportation Resources**

Transportation funding alternatives must be identified to assist in economic growth, improve the mobility of people and goods in California and throughout the nation, and improve our quality of life. The Administration will work with the transportation stakeholder, business, and labor communities in a full review of opportunities to fully leverage State and federal transportation resources.



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## **Federal Transportation Reauthorization**

The Administration will take an active role with California transportation stakeholders in seeking responsible overall funding levels from Washington, DC, and a share of those programs that reflects California's critical role in the national economy and global trading system.

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## **Grant Anticipation Revenue Vehicle**

The Administration endorses the use of Grant Anticipation Revenue Vehicle (GARVEE) financing to infuse funds into transportation in the near term, especially during these times of fiscal constraint. The Budget includes \$800 million from federal GARVEE for allocation by the California Transportation Commission. GARVEEs are debt instruments where future federal-aid highway funds are pledged to meet debt service requirements.

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## **High Speed Rail Authority**

Notwithstanding the potential merit of providing high speed rail as an alternative mode of transportation, budget trailer bill is proposed to repeal Chapter 697, Statutes of 2002, which places a \$9.95 billion general obligation bond measure before voters in 2004 (the Safe, Reliable, High-Speed Passenger Train Bond Act for the 21st Century). Given the State's current fiscal situation, it would be premature for the State to move forward with additional General Fund debt of this magnitude at this time. The needs for funding high speed rail will be reviewed as part of an overall discussion of transportation resources.